



September 19, 2003  
(TRG 6454)

Mr. Luis Marmol  
824 West 18<sup>th</sup> Street  
Costa Mesa, California 92627

**FAX: 949-650-9106**

**SITE: FORMER DICO OIL OPERATION  
SIGNAL HILL, CALIFORNIA**

**USEPA DOCKET NO. 9-2003-14**

**SUBJECT: PROPOSAL TO PROVIDE AS-NEEDED ENVIRONMENTAL CONSULTING  
SERVICES**

Dear Mr. Marmol,

#### **BACKGROUND**

Thank you for meeting with us on short notice this past Tuesday and then arranging a site visit on Wednesday to provide us background on this case. The site background has been extensively documented and right now the United States Environmental Protection Agency (USEPA) considers this to be a PCB-driven case. You are the site owner and have been named by the USEPA as a responsible party. We understand that your goal is to satisfactorily discharge the requirements of the USEPA's "Unilateral Administrative Order for Performance of a Removal Action" (the Order) for the site. Your goal is to receive a compliance letter from the USEPA indicating that you have complied with the Order. You have been informed that compliance with the Order does not necessarily mean that the site is "clean" but simply that you have complied with the order.

#### **PROPOSED SCOPE OF WORK**

The Reynolds Group proposes to assist Luis Marmol in complying with the Order by providing the following services as Project Coordinator with respect to Section XIII Designated Project Managers, part 47, page 18:

- scoping the project and assisting in budget management and collection of pricing
- writing work plans
- performing research as necessary to perform the work
- writing health and safety plans
- keeping a time chronology of the project and master calendar of required action items
- assisting in procuring, interacting, and managing, subcontractors

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- interacting and communicating with the USEPA as required by the project
- collecting samples as required by the work order
- providing project oversight during all field operations
- collecting and organizing all field data regarding the project
- interacting with legal counsel as necessary
- providing interim, special, draft, and final working documents as required by the project

Ed Reynolds will serve as the Project Coordinator on behalf of The Reynolds Group, but may be represented in the field by any one of a number of The Reynolds Group staff personnel who are qualified to oversee and perform the required work of this project.

The Reynolds Group firmly believes that communication with the USEPA should be timely and in writing. While the USEPA has presented an "informal" working relationship, it is our experience that all matters should be documented and communicated to the USEPA in writing. While this may raise the costs of the project, in the long term, we feel that the USEPA will respect this approach and it will limit and reduce Luis Marmol's liability. We assume that our relationship with the client will be such that any promises made to the USEPA regarding deadlines will be adhered to. This means that prior to undertaking any further actions our client will be advised of the potential cost outcomes and scenarios.

As of the writing of this proposal, we see several tasks that need to be performed during the next week September 22 to 26:

1. Review and obtain work plans, health and safety plans and budgets for the sampling, profiling and disposal of containers, tanks and their wastes from the site from Consolidated Waste Industries (CWI).
2. Convert these documents into documents that can be submitted to the USEPA.
3. Document the work that has been performed to date in photographs and writing.
4. Prepare and submit a Soil Sampling Plan to assess the site soils for contamination with hazardous substances.
5. Interact with the client on other matters pertaining to the order.

#### **PRICE FOR THE WORK**

Luis Marmol acknowledges that it is impossible to place a lump sum estimate on the extent of work necessary to be performed at this early stage in the process. There are many items of work to advance and these should be taken one step at a time. At the writing of this proposal, a Work Plan has been

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completed (\$700) and a Soil Sampling Plan is due by September 24. Luis Marmol is currently completing items #1 and #2 of the work plan dated September 17, 2003. Luis Marmol is also working to remove all vegetation outside of the exclusion zone within the tank berm at the project. Luis Marmol will be placing the barrels from the sheds on the truck ramp to facilitate removal. Luis Marmol is also working to obtain quotes for the profiling, cleaning, and removal of the containers and tanks on the site. This is being performed based on a "verbal" understanding with Craig Benson the USEPA's OSC.

The Reynolds Group proposes to work this project on a time and materials basis according to the attached fee schedule. We propose to budget and receive approval for each step in the process of advancing the project. We estimate of the cost of providing the five (5) service steps during the next week, will include:

Registered Civil Engineer, Ed Reynolds	12 hours
Project Manager	10 hours
Engineer/Geologist	40 hours

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Total One Week:

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We estimate that the all-in consulting costs (as opposed to contracting costs) including sampling, laboratory analyses, and report writing on this project might range from \$50,000 to \$100,000 provided that the contamination is not extensive, public notices are not required and the USEPA continues to cooperate with your progress. Please understand that this is an estimate only and we will not be bound to any estimate at this phase in the project. Since we engaged on the project Tuesday, we have not spent sufficient time to estimate the contracting costs of the project which would be the hard dollar costs of clearing and remediating the site. At this point, we understand that you are working directly with Consolidated Waste Industries to obtain firm pricing for the Phase I contracting portion of clearing the site. The Reynolds Group will be involved in overseeing this matter as Project Coordinator.

### INSURANCE

We carry \$3,000,000 of general liability and professional errors and omission insurance and it is "A" rated and fully acceptable to all of our clients. By signing below you agree that our limits of liability on this project will be limited to the amounts and terms covered in our Comprehensive General Liability and Professional Errors and Omissions company insurance policies exclusively which are each \$3,000,000.

### TERMS OF ENGAGEMENT

Should you decide to engage us for this project, please sign in the space below and return a copy of this letter to us along with a \$3,000 retainer. The retainer will be held until the last billing on the project.

This letter will serve as our agreement to perform the scope of work described in this letter next week.

We will provide a budget for the next week on this project by every Thursday afternoon at 5 pm. We will send invoices weekly for services rendered through the previous Friday within one week. Invoices

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will be paid by the close of business within five working days of their receipt by facsimile. The next week's proposed budget will be signed by 5 pm each Friday to authorize the work to proceed.

From time to time, events may transpire that are not incorporated in the next week's budget. These items will be verbally communicated with Luis Marmol and confirmed in writing for approval and inclusion in the budget.

If either one of these events do not occur, The Reynolds Group reserves the right to cease work regardless of what deadlines may be missed at whatever cost to the client. The Reynolds Group will endeavor to oblige by its commitments to provide timely service.

The Reynolds Group may be terminated by Luis Marmol at anytime. Upon termination by Luis Marmol, Luis Marmol will be obligated to pay all fees incurred by the project up until the time of termination. The Reynolds Group will work to make sure that all project related materials are turned over in a professional manner to Luis Marmol's newly designated Project Manager that replaces The Reynolds Group, if there is one.

#### TIMING OF THE WORK

The Reynolds Group is ready to commence work on the project under the terms described above immediately upon receipt of a \$3,000 retainer and a copy of this signed contract.

Feel free to contact Ed Reynolds at 714-730-5397 if you have any questions.

Sincerely,  
**THE REYNOLDS GROUP**  
a California corporation by:

*Edward Reynolds Jr.*  
F. Edward Reynolds Jr.  
President

ACCEPTED BY

*Luis D. Marmol*  
Signature

*Luis D. Marmol*  
Name Printed

Client Name Printed

*9-20-03*  
Date

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